

**Masterpiece®****Deluxe Cooperative  
Coverage**

This part of your Masterpiece Policy provides you with coverage against all risk of physical loss to your contents anywhere in the world unless stated otherwise or an exclusion applies.

"Contents" means unscheduled personal property you or a family member owns or possesses.

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## **Payment for a Loss**

### **Amount of coverage**

The amount of coverage for each cooperative is shown in the Coverage Summary. With your consent, we may change this amount when appraisals are conducted and when the policy is renewed, to reflect current costs and values.

During the policy period, the amount of coverage will be increased daily to reflect the current effect of inflation. At the time of a covered loss, your amount of cooperative coverage will include any increase in the United States Consumer Price Index from the beginning of the policy period.

For a covered loss to contents, the amount of coverage depends on where the loss occurs:

**At a covered cooperative.** If the covered loss takes place at a listed cooperative covered by this policy, we will pay up to the amount of contents coverage for that cooperative, for each occurrence.

**Away from your residences.** If the covered loss takes place away from any residence you own or live at, for each occurrence we will choose the single listed location on which the payment is to be made, based upon the most favorable combination of the following:

- amount of contents coverage
- payment basis
- type of contents coverage

**At your residence not listed in this policy.** If the covered loss takes place at a residence you own or live at that does not have contents, condominium, cooperative, or renters coverage listed in this policy, we will pay up to 10% of the highest amount of contents coverage in this policy, for each occurrence. However, contents in a newly acquired principal residence is not subject to this limitation for the 60 days immediately after you begin to move your contents there.

In either case, we will choose the single listed location on which the payment is to be made, based upon the most favorable combination of the following:

- amount of contents coverage
- payment basis
- type of contents coverage

### **Deductible**

A deductible listed in the Coverage Summary applies to each occurrence. But it does not apply to a covered loss of more than \$50,000.

### **Payment basis**

Your Coverage Summary indicates the payment basis for contents.

**Replacement cost.** If the payment basis is replacement cost, we will pay the full cost to replace the contents without deduction for depreciation, or the amount required to repair the damage, whichever is less, up to the amount of coverage.

## Deluxe Cooperative Coverage

### Payment for a Loss

(continued)

However, for contents which are obsolete or unusable for the purpose for which they were originally intended because of their age or condition, the payment basis will be actual cash value.

**Actual cash value.** If the payment basis is actual cash value, we will pay the cost to replace the contents less depreciation, or the amount required to repair the damage, whichever is less, up to the amount of coverage.

**Pairs, sets, and parts.** For a covered loss to a pair or set, or to part of a larger unit, we will pay whichever is least:

- the cost to repair the damaged property to its condition before the loss;
- the cost to replace it; or
- the cost to make up the difference between its market value before and after the loss.

However, if you agree to surrender the undamaged article(s) of the pair, set, or parts to us and we agree to accept, we will pay you the full replacement cost of the entire pair, set, or parts.

### Special limits

For a covered loss to the following types of contents, we will not pay more than the amounts shown. These special limits do not increase the amount of coverage on your contents or on any item covered elsewhere in this policy.

Money, bank notes, bullion, gold, silver, or platinum .....	\$1,000
Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, or tickets .....	\$5,000
However, when this property is located in a bank vault or bank safe deposit box, your full contents coverage away from your residences will apply for a covered loss.	
Trailers .....	\$3,000
Watercraft, including their furnishings, equipment, and outboard motors .....	\$2,000
Jewelry, watches or precious and semi-precious stones, whether set or unset, that are lost, misplaced, or stolen .....	\$5,000
Furs that are lost, misplaced, or stolen .....	\$5,000
Plated ware, silverware, goldware, pewterware, tableware, trays, trophies, and other household and personal articles, other than jewelry, that consist principally of sterling silver, gold, or pewter that are lost, misplaced, or stolen .....	\$5,000
Collectible stamps, coins, and medals .....	\$5,000
However, when this property is located in a bank vault or bank safe deposit box, your full contents coverage away from your residences will apply for a covered loss.	
Guns that are lost, misplaced, or stolen .....	\$5,000
Grave markers .....	\$5,000

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**Deluxe Cooperative Coverage**

In Deluxe Cooperative Coverage, a "covered loss" includes **all risk** of physical loss to contents unless stated otherwise or an exclusion applies. Exclusions to this coverage are described in **Exclusions**.

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**Extra Coverages**

In addition to covering the physical loss to your contents, we also provide other related coverages. These payments are in addition to the amount of coverage for your cooperative unless stated otherwise or an exclusion applies. The deductible applies to Extra Coverages unless stated otherwise. Exclusions to these coverages are described in **Exclusions**.

**Additions and alterations**

We cover your building additions, alterations, fixtures, improvements, installations or items of real property that pertain to your unit. This includes breakage of glass or safety glazing material in the building or a storm door or window. But the loss must be for that part of your cooperative in which you have an insurable interest.

For a covered loss to these items, we will pay up to 10% of the amount of contents coverage or any higher amount listed in the Coverage Summary for Additions and Alterations. The same payment basis applies to Additions and Alterations as to contents. However, if the payment basis is actual cash value, and, if the damage caused by a covered peril is repaired or replaced within a reasonable amount of time, the payment basis will be replacement cost.

**Unit assessments**

We cover your share of an assessment charged against all unit owners in your cooperative. But the assessment must be a result of a covered loss to property owned collectively by all unit owners, or of liability that would be covered under this policy. We will not pay unit assessments caused by earthquakes, or earth movement which includes the eruption of a volcano, landslides, mud flows, and the sinking, rising, or shifting of land. But we do cover your share of an assessment of loss caused by the eruption of a volcano when the loss is the result of:

- a volcanic blast or airborne shock waves;
- ash, dust, or particulate matter; or
- lava flows.

We also insure ensuing covered loss due to fire, explosion, theft, or glass breakage unless another exclusion applies.

We will pay up to \$50,000 for any one loss, regardless of the number of assessments. But we will not pay more than \$1,000 in any one loss for assessments that result from a deductible in your cooperative association's insurance. There is no deductible for this coverage.

**Incidental business property**

We will pay up to \$10,000 for a covered loss to furnishings, supplies, and equipment of an incidental business conducted at your residence premises, including business data stored in a computer. The same payment basis applies to incidental business property as to contents.

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## **Extra Coverages**

(continued)

"Incidental business" is a business activity which meets all of the following requirements:

- does not have gross revenues of \$5,000 or more in any one year, other than the management of one's own investments;
- has no employee subject to workers' compensation or other similar disability laws;
- conforms to local, state, and federal laws.

"Business data" means business facts or records.

### **Additional living expense**

Under certain conditions (described below), when your cooperative cannot be lived in, we cover the loss of its use. There is no deductible for this coverage.

**Extra living expenses.** If your cooperative cannot be lived in because of a covered loss, we cover any increase in your living expenses that is necessary to maintain your household's normal standard of living. We cover these expenses for the reasonable amount of time it should take to repair or rebuild your cooperative or for your household to relocate, even if the policy period ends during that time.

**Fair rental value.** If a part of your cooperative you generally rent to others cannot be lived in because of a covered loss, we cover its fair rental value. We will pay up to this amount for the reasonable amount of time it should take to repair or rebuild that part of your cooperative, even if the policy period ends during that time.

**Forced evacuation.** If your cooperative cannot be lived in because a civil authority prohibits you from using it, we cover any increase in your living expenses that is necessary to maintain your household's normal standard of living. We also cover any loss in fair rental value if normally held for rent. The prohibition must be a direct result of a loss to neighboring premises that would be a covered loss under this policy. We cover these forced evacuation expenses for up to 30 days, even if the policy period ends during that time. We do not cover loss due to cancellation of a lease or agreement.

### **Landscaping**

We cover your trees, shrubs, plants, and lawns at your cooperative against certain kinds of perils. These are fire, lightning, explosion, civil disturbance, vandalism, malicious mischief, theft, and loss caused by a vehicle or aircraft.

We will pay up to a total of 10% of the amount of contents coverage for the cooperative at which the loss occurs, but not more than \$1,000 for any one tree, shrub, or plant.

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This extra coverage applies only if you begin to repair or replace the lost or damaged property within 180 days of the date of loss.

### **Data replacement**

We cover personal data stored in a computer in your cooperative. We will pay up to \$5,000 for replacing personal data as a result of a covered loss.

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**Extra Coverages**

(continued)

"Personal data" means your personal facts or records. It does not include any hardware, software, or materials on which data is recorded, including magnetic tapes, disk packs, paper tapes, and cards.

**Fire department charges**

If a fire department is called to protect your cooperative or its grounds against a covered loss, we will pay up to \$500 for any charges imposed by law or assumed by written agreement. There is no deductible for this coverage.

**Lock replacement**

If the keys to your cooperative are lost or stolen, we will pay the cost of replacing the locks, up to \$500. But you must notify us in writing within 72 hours of discovering the loss. There is no deductible for this coverage.

**Debris removal**

We cover the reasonable expenses you incur to remove debris of a covered loss and of the property that caused a covered loss.

**Precautionary repairs**

We cover the reasonable expenses you incur for necessary repairs to protect your cooperative against further damage after a covered loss. These payments do not increase the amount of coverage for your cooperative.

**Construction materials**

We cover the materials and supplies owned by you and located at your cooperative for use in its construction, alteration, and repair. These payments apply only to a covered loss, and they do not increase the amount of coverage for your cooperative.

**Endangered property**

Covered contents removed from your cooperative because the cooperative is endangered by a covered peril are covered against any peril for up to 90 days. These payments do not increase the amount of coverage for your cooperative.

**Rebuilding to code**

With respect to the repair or rebuilding of Additions and Alterations to your cooperative unit made necessary by a covered loss, we cover the cost of conforming to any law or ordinance that regulates the repair, rebuilding or demolition of your building.

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## **Exclusions**

These exclusions apply to your Deluxe Cooperative Coverage, including the Extra Coverages, unless stated otherwise.

The words "caused by" mean any loss that is contributed to, made worse by, or in any way results from that peril.

**Gradual or sudden loss.** We do not cover any loss caused by wear and tear, gradual deterioration, rust, mold, rot, warping, insects, or vermin. We also do not cover any loss caused by inherent vice, latent defect, or mechanical breakdown. But we do insure ensuing covered loss unless another exclusion applies.

**Contamination.** We do not cover any loss caused by contamination, pollution, smog, or industrial or agricultural smoke.

**Loss by animals.** We do not cover any loss caused by birds, vermin, insects, rodents, or domestic animals except loss to glass that is part of a building, storm door, or storm window. But we do insure ensuing covered loss unless another exclusion applies.

**Structural movement.** We do not cover any loss to Additions and Alterations of your cooperative unit caused by the settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, walls, floors, roofs, or ceilings except loss to glass that is part of a building or a storm door or window. But we do insure ensuing covered loss unless another exclusion applies.

**Special rules for escaping water.** If any of the causes of loss previously described (gradual or sudden loss, contamination, loss by animals, or structural movement) cause water to escape from a household appliance, swimming pool, or plumbing, heating, or air conditioning system, we cover the loss caused by the water. We also cover the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. But we do not cover loss to the system or appliance itself.

**Freezing water.** We do not cover any loss caused by water freezing in a plumbing, heating, or air conditioning system, or household appliance if the cooperative unit is vacant, unoccupied, or being constructed, unless you used reasonable care to maintain heat in your unit or shut off and drained the water system or appliance. But we do insure ensuing covered loss unless another exclusion applies.

**Surface water.** We do not cover any loss caused by flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, even if it is driven by wind. But we do insure ensuing covered loss unless another exclusion applies. We also cover surface water damage to contents away from any residence you own or live at.

**Ground water.** We do not cover any loss caused by water in the ground, or by its pressure, leaking, or seepage. But we do insure ensuing covered loss unless another exclusion applies. We also cover ground water damage to contents away from any residence you own or live at.

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**Exclusions**

(continued)

**Power interruption.** We do not cover food spoilage losses caused by power interruption as a result of brownout or blackout. But we do cover other ensuing physical loss to the insured property unless another exclusion applies.

**Computer error.** We do not cover any loss resulting from an error in computer programming or instructions to the computer.

**Business property.** We do not cover any loss to business property unless it is incidental business property covered as an Extra Coverage.

**Tenant property.** We do not cover any loss to property of roomers, boarders, or other tenants. But we do cover personal property of your guests, domestic workers or relatives while it is in any home occupied by you or a family member.

**Motorized land vehicles.** We do not cover any loss to a motorized land vehicle. But we do cover motorized land vehicles used solely on and to service a residence premises shown in the Coverage Summary. We also cover motorized land vehicles used to assist the disabled that are not designed for or required to be registered for use on public roads.

**Theft of sound equipment from a motorized land vehicle.** We do not cover any theft of sound reproducing, receiving, and transmitting equipment from a motorized land vehicle if the equipment is operated by power from the electrical system of that vehicle. This includes radios, tape players, CBs, scanning monitors, televisions, and any other similar equipment, including their accessories and antennas.

**Repairs and renovations.** We do not cover loss caused by repairing, refinishing, or renovating any kind of property except jewelry, watches, and furs.

**Watercraft accidents.** We do not cover any loss caused by the sinking, swamping, stranding, or collision of a watercraft or its trailer, equipment, or outboard motor. But we do cover collision of a watercraft with a land vehicle unless another exclusion applies.

**Dampness or temperature.** We do not cover any loss caused by air dampness or temperature extremes unless the direct cause of loss is rain, snow, sleet, or hail.

**Confiscation.** We do not cover any loss caused by the confiscation, destruction, or seizure of property by any government or public authority.

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## **Exclusions**

(continued)

**Breakage of fragile articles.** We do not cover breakage of fragile articles, including eyeglasses, statues, porcelains, and similar items. But we do cover breakage caused by fire, lightning, windstorm, hail, or smoke (except industrial or agricultural smoke); by explosion, riot, civil commotion, aircraft, or vehicles; by vandalism, malicious mischief, or collapse of a building or part of a building; by earth movement, earthquake, water, theft, or attempted theft; or by the sudden and accidental tearing apart, cracking, burning, or bulging of a plumbing, heating, or air conditioning system or household appliance, unless another exclusion applies.

Fragile articles do not include jewelry, watches, bronzes, cameras, and photographic lenses.

**Loss to animals.** We do not cover any loss to animals, birds, or fish.

**Aircraft.** We do not cover any loss to an aircraft or aircraft parts.

**Intentional acts.** We do not cover any loss caused intentionally by you or a family member, or by a person directed by you or a family member to cause a loss. But we do provide coverage for you or a family member who is not responsible for causing the intentional loss.

**Misappropriation.** We do not cover any loss to contents caused by the taking or other misappropriation of the contents from you or a family member by your spouse or another family member.

**Negligent planning, construction, or maintenance.** We do not cover any loss caused by the negligent acts, errors, or omissions of you or any other person in planning, construction, or maintenance. This exclusion applies only when the loss is caused directly or indirectly by a peril excluded in this section. It does not matter whether the negligent acts, errors, or omissions take place on or off the insured property. "Planning" includes zoning, placing, surveying, designing, compacting, setting specifications, developing property, and establishing building codes or construction standards. "Construction" includes materials, workmanship, and parts or equipment used for construction or repair.

**Neglect.** We do not cover any loss caused by your failure to use all reasonable means to protect property before, at, or after the time of a loss.

**Acts of war.** We do not cover any loss caused directly or indirectly by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by military forces or personnel, the destruction or seizure of property for a military purpose, or the consequences of any of these actions.

**Nuclear or radiation hazard.** We do not cover any loss caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination, regardless of how it was caused. But we do insure ensuing covered loss due to fire resulting from a nuclear hazard unless another exclusion applies.

**Masterpiece®****Personal Liability  
Coverage**

This part of your Masterpiece Policy provides you with personal liability coverage for which you or a family member may be legally responsible anywhere in the world unless stated otherwise or an exclusion applies.

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## **Payment for a Loss**

### **Amount of coverage**

The amount of coverage for liability is shown in the Coverage Summary. We will pay on your behalf up to that amount for covered damages from any one occurrence, regardless of how many claims, homes, or people are involved in the occurrence.

Any costs we pay for legal expenses (see **Defense coverages**) are in addition to the amount of coverage.

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## **Personal Liability Coverage**

We cover damages a covered person is legally obligated to pay for personal injury or property damage which take place anytime during the policy period and are caused by an occurrence, unless stated otherwise or an exclusion applies. Exclusions to this coverage are described in **Exclusions**.

A "covered person" means:

- you or a family member;
- any other person or organization with respect to liability because of acts or omissions of you or a family member; or
- any combination of the above.

"Damages" means the sum that is paid or is payable to satisfy a claim settled by us or resolved by judicial procedure or by a compromise we agree to in writing.

"Personal injury" means the following injuries, and resulting death:

- bodily injury;
- shock, mental anguish, or mental injury;
- false arrest, false imprisonment, or wrongful detention;
- wrongful entry or eviction;
- malicious prosecution or humiliation; and
- libel, slander, defamation of character, or invasion of privacy.

"Bodily injury" means physical bodily harm, including sickness or disease that results from it, and required care, loss of services and resulting death.

"Property damage" means physical injury to or destruction of tangible property, including the loss of its use. Tangible property includes the cost of recreating or replacing stocks, bonds, deeds, mortgages, bank deposits, and similar instruments, but does not include the value represented by such instruments.

"Registered vehicle" means any motorized land vehicle not described in "unregistered vehicle".

**Personal Liability  
Coverage**

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**Personal Liability Coverage**

(continued)

"Unregistered vehicle" means:

- any motorized land vehicle not designed for or required to be registered for use on public roads;
- any motorized land vehicle which is in dead storage at your residence;
- any motorized land vehicle used solely on and to service a residence premises shown in the Coverage Summary; or
- golf carts.

**Workers' Compensation and Employer's Liability Coverages****Workers' Compensation**

We cover all benefits required by you or a family member under the New York Workers' Compensation Law. This coverage does not apply to bodily injury arising out of the business pursuits of you or a family member. No other exclusions apply to this coverage.

As between the covered residence employees and us, notice to or knowledge of the occurrence of the injury on your part will be deemed notice or knowledge on our part.

Jurisdiction over you will, for the purpose of the law imposing liability for compensation, be jurisdiction of the company.

**Employer's Liability**

We cover all damages you or a family member are legally obligated to pay because of bodily injury to a covered residence employee. The injury must be caused by an accident or a disease, and it must arise from and during the worker's employment for you or a family member. This coverage applies only to:

- bodily injury occurring during the policy period;
- if the bodily injury is a disease, it must be caused by or aggravated by the conditions of the worker's employment by you or a family member;
- if the last day that the worker was exposed to the hazard causing the injury by disease was during the policy period.

This coverage applies in the United States, its territories and possessions, Canada, or if temporarily elsewhere, if the covered residence employee is a citizen or resident of the United States or Canada.

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to covered residence employees, if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers' Compensation Law of New York.

If a loss covered by this insurance is also covered by other insurance, we will not pay more than our share of benefits and costs. The shares of all applicable insurance will be equal until the loss is paid. However, if a loss covered by this insurance is also covered by insurance written to cover business employees of you or a family member who is a sole proprietor, this insurance is primary.

The terms of this coverage which are in conflict with the New York Workers' Compensation Law are amended by this statement to conform to that law.

**Personal Liability  
Coverage**

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**Personal Liability Coverage**

(continued)

Employer's liability coverage does not apply to bodily injury arising out of the business pursuits of you or a family member. Nor does it apply to:

- liability assumed under any contract or agreement;
- any obligation under a workers' compensation, unemployment, disability benefits, or similar law;
- punitive or exemplary damage because of bodily injury to a worker who is illegally employed, or to a worker who is employed without the knowledge or consent of you or a family member;
- bodily injury intentionally caused or aggravated by an insured;
- damages arising out of the unlawful discharge or coercion of, or unlawful discrimination against a covered residence employee.

**Workers' Compensation and Employer's Liability Coverage**

A "covered residence employee" means any person employed by you at a residence shown in the Coverage Summary who is:

- engaged in regular employment of less than 40 hours per week or is engaged in casual employment; and
- defined under the New York Workers' Compensation Law as an employee for whom Workers' Compensation benefits must be provided.

This insurance is subject to all the provisions listed above and the following provisions of the policy:

- assignment;
- waiver or change of policy provisions;
- cancellation;
- subrogation.

In addition, the employer's liability coverage is subject to the following provisions:

- your duties after a loss;
- legal action against us;
- bankruptcy or insolvency.

**Defense coverages**

We will defend a covered person against any suit seeking covered damages for personal injury or property damage. We provide this defense at our own expense, with counsel of our choice, even if the suit is groundless, false, or fraudulent. We may investigate, negotiate, and settle any such claim or suit at our discretion.

As part of our investigation, defense, negotiation, or settlement we will pay:

- all premiums on appeal bonds required in any suit we defend;
- all premiums on bonds to release attachments for any amount up to the amount of coverage (but we are not obligated to apply for or furnish any bond);
- all expenses incurred by us;
- all costs taxed against a covered person;
- all interest accruing after a judgement is entered in a suit we defend on only that part of the judgement we are responsible for paying. We will not pay interest accruing after we have paid the judgement up to the amount of coverage;

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## **Personal Liability Coverage**

(continued)

- all prejudgement interest awarded against a covered person on that part of the judgement we pay or offer to pay. We will not pay any prejudgement interest based on that period of time after we make an offer to pay the amount of coverage;
- all earnings lost by each covered person at our request, up to \$250 a day, to a total of \$10,000;
- other reasonable expenses incurred by a covered person at our request; and
- the cost of bail bonds required of a covered person because of a covered loss.

In jurisdictions where we may be prevented by local law from carrying out these Defense Coverages, we will pay only those defense expenses that we agree in writing to pay and that are incurred by you.

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## **Extra Coverages**

In addition to covering damages and defense costs, we also provide many related coverages. These payments are in addition to the amount of coverage for damages and defense costs unless stated otherwise.

### **Medical payments to others**

We will pay the necessary medical expenses, up to a total of \$10,000 for each person, for personal injury to anyone **except** you or a family member. These expenses must be incurred or medically ascertained within three years of an accident that:

- occurs at a home with liability coverage in this policy, to a person with permission from you or a family member to be there;
- arises from a condition at a home, or at the steps, driveways or sidewalks immediately adjoining, with liability coverage in this policy;
- was caused by the activities of a covered person;
- was caused by a domestic worker in the course of his or her employment by a covered person; or
- was caused by an animal owned by or in the care of a covered person.

"Medical expenses" includes reasonable charges for first aid, medical, funeral, surgical, x-ray, dental, ambulance, hospital, rehabilitation, professional nursing services, and prosthetic devices.

### **Damaged property**

We cover the replacement cost of other people's property, up to \$1,000 for each occurrence, if the property was damaged or destroyed by a covered person.

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"Replacement cost" is the amount required to repair or replace other people's property, whichever is less.

But we will **not** pay for property damage to property owned by or rented to a tenant or resident in your household.

**Personal Liability  
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**Extra Coverages**

(continued)

**Credit cards, forgery, and counterfeiting**

We cover a covered person's legal obligation, up to a total of \$10,000 for:

- loss or theft of a credit or bank card issued in the name of you or a family member, provided that all the terms for using the card are complied with;
- loss caused by forgery or alteration of any check or negotiable instrument; or
- loss caused by accepting in good faith any counterfeit paper currency.

We will defend a claim or suit against you or a family member for loss or theft of a credit or bank card. We have the option to defend a claim or suit against you or a family member (or against a bank, with respect to this coverage) for forgery or counterfeiting.

We may investigate, negotiate, and settle any such claim or suit at our discretion. Our obligation to defend ends when our payment for the loss equals \$10,000.

If you have a loss under the "credit cards, forgery, and counterfeiting" coverage of this policy, you must:

- notify us or your agent of your loss;
- in case of theft you must notify the police or similar competent authority;
- notify the credit card service company or the issuing bank;
- include evidence or an affidavit supporting your claim, including the amount of and cause of the loss, in any statement you prepare at our request;
- submit to an examination under oath, as often as we may reasonably require, you, family members and other members of your household to do so;
- upon our request submit a signed description of the circumstances surrounding a loss and your interest in it; and
- produce all records and documents we request and permit us to make copies.

**Rented or borrowed vehicles**

We cover for damages for personal injury and property damage caused by an occurrence during the policy period resulting from a covered person's use of a rented or borrowed vehicle if the limit of liability shown in the Coverage Summary is \$1 million or more, provided the rental or loan does not exceed 30 days.

We will provide this coverage in excess of any underlying insurance that applies to these damages. If no underlying coverage exists, we will pay total damages up to the limit of liability shown in the Coverage Summary.

This Extra Coverage is not provided when:

- you have coverage provided by an excess or umbrella policy with us or another company;
- you or a family member own a private passenger vehicle, a pick-up, panel truck, or van.

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## **Exclusions**

These exclusions apply to this part of your Masterpiece Policy, unless stated otherwise.

**Motorized land vehicles.** We do not cover any damages arising out of the ownership, maintenance, use, loading, unloading or towing of any motorized land vehicle. This includes any trailers or any watercraft being towed by or carried on any registered vehicle.

This exclusion does not apply to motorized land vehicles in dead storage at your residence, to motorized land vehicles used solely on and to service a residence premises shown in the Coverage Summary, or to golf carts.

This exclusion does not apply to the Extra Coverage, Rented or Borrowed Vehicles.

**Aircraft.** We do not cover any damages arising out of the ownership, maintenance, use, loading, unloading, or towing of any aircraft, except aircraft chartered with crew by you. We do not cover any property damages to aircraft rented to, owned by, or in the care, custody or control of a covered person.

**Large watercraft.** We do not cover any damages arising out of the ownership, maintenance, use, loading, unloading or towing of any watercraft 26 feet or longer or with more than 50 horsepower owned by a covered person, or furnished or rented to a covered person for longer than 30 days. But we do cover watercraft being stored, unless another exclusion applies.

**Motorized land vehicle, watercraft and aircraft racing.** We do not cover any damages arising out of the participation in or practice for competitive racing of any motorized land vehicle, watercraft or aircraft. This exclusion does not apply to sailboat racing even if the sailboat is equipped with an auxiliary motor.

**Unemployment compensation or disability.** We do not cover any damages for personal injury for which a covered person may be legally obligated to pay under any unemployment compensation, disability benefits, or similar law.

**Director's liability.** We do not cover any damages for any covered person's actions or failure to act as an officer or member of a board of directors of any corporation or organization. This exclusion does not apply to a not-for-profit corporation or organization, or to a condominium or cooperative association.

**Damage to covered person's property.** We do not cover any person for property damage to property owned by any covered person.

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**Damage to property in your care.** We do not cover any person for property damage to property rented to, occupied by, used by, or in the care of any covered person, to the extent that the covered person is required by contract to provide insurance. But we do cover such damages for loss caused by fire, smoke, or explosion unless another exclusion applies.

**Personal Liability  
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**Exclusions**

(continued)

**Discrimination.** We do not cover any damages arising out of discrimination due to age, race, color, sex, creed, national origin, sexual harassment, or any other discrimination.

**Intentional acts.** We do not cover any damages arising out of an act intended by any covered person to cause personal injury or property damage. An intentional act is one whose consequences could have been foreseen by a reasonable person. But we do cover such damages if the act was intended to protect people or property unless another exclusion applies.

**Nonpermissive use.** We do not cover any person who uses a motorized land vehicle or watercraft without permission from you or a family member.

**Business pursuits.** We do not cover any damages arising out of a covered person's business pursuits, investment or other for-profit activities, for the account of a covered person or others, or business property.

But we do cover damages arising out of volunteer work for an organized charitable, religious or community group, an incidental business away from home, incidental business at home, incidental business property, incidental farming, or residence premises conditional business liability unless another exclusion applies.

"Incidental business away from home" is a self-employed sales activity, or a self-employed business activity normally undertaken by persons under the age of 18 such as newspaper delivery, babysitting, caddying, and lawn care. Either of these activities must:

- not yield gross revenues in excess of \$5,000 in any year;
- have no employees subject to worker's compensation or other similar disability laws;
- conform to local, state, and federal laws.

"Incidental business at home" is a business activity, other than farming, conducted on your residence premises which must:

- not yield gross revenues in excess of \$5,000 in any year, except for the business activity of managing one's own personal investments;
- have no employees subject to workers' compensation or other similar disability laws;
- conform to local, state, and federal laws.

"Incidental business property" is limited to the rental or holding for rental, to be used as a residence, of a condominium or cooperative unit owned by you, an apartment unit rented to you, a one or two family dwelling owned by you, or a three or four family dwelling owned and occupied by you. We provide this coverage only for premises listed in the Coverage Summary unless the rental or holding for rental is for:

- a residence of yours that is occasionally rented and that is used exclusively as a residence; or
- part of a residence of yours by one or two roomers or boarders; or
- part of a residence of yours as an office, school, studio, or private garage.

## Personal Liability Coverage

### Exclusions

(continued)

"Incidental farming" is a farming activity which meets all of the following requirements:

- is incidental to your use of the premises as your residence;
- does not involve employment of others for more than 1,000 hours of farm work during the policy period;
- does not produce more than \$2,500 in gross annual revenue from horticultural operations;
- and with respect to the raising or care of animals:
  - does not produce more than \$25,000 in gross annual revenues;
  - does not involve more than 10 sales transactions during the policy period;
  - does not involve the sale of more than 25 animals during the policy period.

"Residence premises conditional business liability" is limited to business or professional activities when legally conducted by you or a family member at your residence shown in the Coverage Summary. We provide coverage only for personal injury or property damage arising out of the physical condition of that residence if:

- you do not have any employees involved in your business or professional activities who are subject to workers' compensation or other similar disability laws; or, if you are a doctor or dentist, you do not have more than two employees subject to such laws;
- you do not earn annual gross revenues in excess of \$5,000, if you are a home day care provider;
- there is no other valid and collectible insurance.

We do not cover damages or consequences resulting from business or professional care or services performed or not performed.

**Financial guarantees.** We do not cover any damages for any covered person's financial guarantee of the financial performance of any covered person, other individual or organization.

**Professional services.** We do not cover any damages for any covered person's performing or failure to perform professional services, or for professional services for which any covered person is legally responsible or licensed.

**Acts of war.** We do not cover any damages caused directly or indirectly by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by military forces or personnel, the destruction or seizure of property for a military purpose, or the consequences of any of these actions.

**Contractual liability.** We do not cover any assessments charged against a covered person as a member of a condominium or cooperative association. We also do not cover any damages arising from contracts or agreements made in connection with any covered person's business. Nor do we cover any liability for unwritten contracts, or contracts in which the liability of others is assumed after a covered loss.

**Covered person's or dependent's personal injury.** We do not cover any damages for personal injury for any covered person or their dependents where the ultimate beneficiary is the offending party or defendant. We also do not cover any damages for personal injury, other than bodily injury, for which you can be held legally liable to a family member or your spouse or for which a family member or your spouse can be held legally liable to you.

**Personal Liability  
Coverage**

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**Exclusions**

(continued)

**Liability for dependent care.** We do not cover any damages for personal injury for which a covered person's only legal liability is by virtue of a contract or other responsibility for a dependent's care.

**Illness.** We do not cover personal injury or property damage resulting from any illness, sickness or disease transmitted intentionally or unintentionally by a covered person to anyone, or any consequence resulting from that illness, sickness or disease.

**Parental liability.** We do not cover any damages arising from parental liability for the acts of a minor using a motorized land vehicle, watercraft 26 feet or longer or with more than 50 horsepower, or aircraft. This exclusion does not apply to any other coverage provided under an exclusion in this part of your policy.

**Entrustment.** We do not cover any damages arising from the entrustment by any covered person of a motorized land vehicle, watercraft 26 feet or longer or with more than 50 horsepower, or aircraft to any person. This exclusion does not apply to any other coverage provided under an exclusion in this part of your policy.

**Nuclear or radiation hazard.** We do not cover any damages caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination, regardless of how it was caused.

**Masterpiece®****Excess Liability  
Coverage**

This part of your Masterpiece Policy provides you with liability coverage in excess of your underlying insurance anywhere in the world unless stated otherwise or an exclusion applies.

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## **Payment for a Loss**

### **Amount of coverage**

The amount of coverage for liability is shown in the Coverage Summary. We will pay on your behalf up to that amount for covered damages from any one occurrence, regardless of how many claims, homes, vehicles, watercraft, or people are involved in the occurrence.

Any costs we pay for legal expenses (see **Defense coverages**) are in addition to the amount of coverage.

### **Underlying insurance**

We will pay only for covered damages in excess of all underlying insurance covering those damages, even if the underlying coverage is for more than the minimum amount.

"Underlying insurance" includes all liability coverage other than this part of your policy that applies to the covered damages, except for other insurance purchased in excess of this policy.

### **Required primary underlying insurance**

Regardless of whatever other primary underlying insurance may be available in the event of a claim or loss, it is a condition of this part of your policy that you and your family members must maintain in full effect primary underlying liability insurance of the types and in at least the amounts set forth below, either under other parts of this policy or some other policy, covering your personal liability and to the extent you have such liability exposures, all vehicles and watercraft you or your family members own, or rent for longer than 30 days, or have furnished for longer than 30 days, as follows:

Personal liability (homeowners) for bodily injury and property damage in the minimum amount of \$50,000 each occurrence.

Registered vehicles in the minimum amount of:

- \$250,000/\$500,000 bodily injury and \$25,000 property damage;
- \$300,000 single limit each occurrence; or
- any higher minimum amount of insurance for registered vehicles shown in your Coverage Summary.

Unregistered vehicles in the minimum amount of \$50,000 bodily injury and property damage each occurrence.

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Watercraft less than 26 feet or 50 horsepower or less for bodily injury and property damage in the minimum amount of \$50,000 each occurrence.

Watercraft 26 feet or longer or more than 50 horsepower for bodily injury and property damage in the minimum amount of \$500,000 each occurrence.

Uninsured/supplementary uninsured motorists protection in the minimum amount of \$250,000/\$500,000 bodily injury or \$300,000 single limit each occurrence.